

Message Text

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PAGE 01 ADDIS 03250 161521Z

71

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SUBJECT: EPMG APPOINTS NEW CENTRAL BANK ADMINISTRATOR AND
PLANNING COMMISSIONER

1. THE EPMG FILLED VACANCIES IN TWO IMPORTANT POSITIONS IN THE ECONOMIC AREA ON MARCH 12. LEGESSE TIKKEHER WAS NAMED CHIEF ADMINISTRATOR OF THE NATIONAL BANK OF ETHIOPIA (NBE). HE REPLACES TEFARRA DEGUEFFE WHO WAS ARRESTED ON FEBRUARY 13. TAYE WORKU WAS NAMED COMMISSIONER FOR PLANNING AND DEVELOPMENT. HE REPLACES PAULO ABRAHAM WHO RESIGNED TO JOIN THE IBRD IN WASHINGTON IN LATE 1975.

2. LEGESSE TIKKEHER HAS BEEN SERVING AS ECONOMIC COUNSELOR AT THE ETHIOPIAN EMBASSY IN WASHINGTON SINCE DECEMBER 1973. PRIOR TO THAT APPOINTMENT LEGESSE SERVED FOR 12 YEARS IN VARIOUS POSITIONS AT THE NATIONAL BANK. HE WAS HEAD OF THE ECONOMIC RESEARCH UNIT OF THE NBE FROM 1974 UNTIL NOVEMBER 1973 WHEN HE RESIGNED TO TAKE THE WASHINGTON APPOINTMENT. LEGESSE TIKKEHER, WHO WAS BORN JANUARY 1928 IN SHOA PROVINCE, IS MARRIED AND HAS SEVERAL CHILDREN. THE PRESS REPORT OF HIS APPOINTMENT STATED HE WAS A GRADUATE OF

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PAGE 02 ADDIS 03250 161521Z

THE UNIVERSITY OF CALIFORNIA (BERKELEY) IN DEVELOPMENT ECONOMICS.

HE IS ALSO A GRADUATE OF HAILE SELASSIE I UNIVERSITY (NOW ADDIS ABABA UNIVERSITY) AND HE ATTENDED AN IMF TRAINING COURSE IN WASHINGTON IN 1969. LEGESSE IS GENERALLY VIEWED AS A QUIET, COMPETENT TECHNICIAN WITH A REPUTATION FOR PRAGMATISM AND INTEGRITY. SOME LOCAL OBSERVERS FEAR THAT HE IS NOT A SUFFICIENTLY STRONG OR DYNAMIC PERSONALITY TO ADMINISTER THE BANK AND TO WITHSTAND PRESSURES UPON THE NBE FROM THE PMAC TO PURSUE ECONOMICALLY UNWISE POLICIES. THESE OBSERVERS WORRY THAT HE MAY BE "TOO NICE A GUY". NO EXPLANATION HAS BEEN GIVEN FOR THE CHANGE IN POSITION TITLE FROM GOVERNOR TO CHIEF ADMINISTRATOR OF THE NBE. SOME DEPARTMENT OFFICERS SHOULD BE ACQUAINTED WITH LEGESSE AS A RESULT OF HIS SERVICE IN WASHINGTON. WE WOULD APPRECIATE ANY INFORMATION WHICH THE DEPARTMENT COULD PROVIDE.

3. TAYE WORKU IS MUCH MORE OF AN UNKNOWN QUANTITY IN ETHIOPIA. IN THE PRESS REPORT OF HIS APPOINTMENT, TAYE WAS REFERRED TO AS A PROFESSOR OF POLITICAL ECONOMY AT THE FREE UNIVERSITY OF BERLIN. MOST LOCAL CONTACTS IN THE ECONOMIC AND DEVELOPMENT FIELD STATE THAT TAYE IS AN UNKNOWN. WE HAVE OBTAINED THE FOLLOWING UN-COLLABORATED INFORMATION FROM AN EMBASSY LOCAL EMPLOYEE WHO IS ACQUAINTED WITH TAYE. TAYE, WHO IS IN HIS MID OR LATE 40'S, GRADUATED FROM TEFERI MAKONNEN SCHOOL IN ADDIS ABABA AND THE AMBO AGRICULTURAL SCHOOL. FOLLOWING GRADUATION FROM AMBO HE WORKED AT THE MINISTRY OF AGRICULTURE FOR A SHORT PERIOD OF TIME AND THEN WENT TO WEST GERMANY FOR APPROXIMATELY ONE YEAR OF TRAINING IN AGRICULTURE. HE RETURNED TO ETHIOPIA AND AGAIN WORKED FOR THE MINISTRY OF AGRICULTURE FOR PERHAPS A YEAR BEFORE HE WON A SCHOLARSHIP FOR ADVANCED STUDY IN WEST BERLIN. HE LEFT FOR BERLIN IN THE LATE 1950'S AND EXCEPT FOR A FEW VISITS, HAS RESIDED THERE SINCE THAT TIME. TAYE REPORTEDLY SWITCHED HIS FIELD OF STUDY FROM AGRICULTURE TO POLITICAL SCIENCE, MARRIED A WEALTHY GERMAN HEIRESS, AND DROPPED OUT OF SCHOOL. TAYE THEN LIVED A LIFE OF LEISURE, WORKING INTERMITTENTLY IN THE MANAGEMENT OF HIS WIFE'S FAMILY'S INTERESTS. TAYE AND HIS WIFE HAD TWO CHILDREN. HE AND HIS WIFE WERE DIVORCED ABOUT SIX YEARS AGO. HE REMAINED IN BERLIN AND WORKED PART-TIME FOR A GERMAN COMPANY. OUR SOURCE BELIEVES TAYE CONTINUED TO RECEIVE SOME FINANCIAL SUPPORT FROM HIS WIFE'S FAMILY. OUR SOURCE WAS SURPRISED TO LEARN OF TAYE'S REPORTED POSITION AS A PROFESSOR AT THE FREE UNIVERSITY OF BERLIN. WHAT HE BELIEVED WAS MORE LIKELY WAS THAT TAYE MIGHT BE A PART-TIME LECTURER AT THE LIMITED OFFICIAL USE

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PAGE 03 ADDIS 03250 161521Z

UNIVERSITY IN ADDITION TO OTHER PURSUITS. IN SUM, OUR CONTACT DESCRIBED TAYE AS "A GOOD FRIEND" AND "INTELLIGENT BUT WITHOUT GREAT AMBITION OR EXPERIENCE". HE SAID HE COULD NOT UNDERSTAND WHY TAYE WAS GIVEN THIS POSITION AND WAS NOT VERY OPTIMISTIC ABOUT HIS CHANCES FOR SUCCESS IN THE POST. HE STATED THAT TO HIS KNOWLEDGE TAYE HAD NO PARTICULAR POLITICAL ORIENTATION. IT IS QUITE POSSIBLE THAT TAYE'S APPOINTMENT IS DUE TO SOME CONNECTION WITH AN IMPORTANT PMAC OR EPMG OFFICIAL, FOLLOWED UP BY THE

EPMG RECRUITING VISIT TO EUROPE TO INTERVIEW ETHIOPIAN EXILES
WHICH OCCURRED IN LATE 1975.

4. COMMENT. FROM THE INFORMATION THUS FAR AVAILABLE, IT
APPEARS THAT NEITHER OF THE TWO APPOINTEES IS A STRONG MAN. IN
THE CASE OF LEGESSE, IT SEEMS POSSIBLE THAT HE WAS APPOINTED TO
RUN THE TECHNICAL BANKING OPERATIONS AND TO ACCEPT POLICY GUIDANCE
FROM ABOVE. HE FACES THE DIFFICULT CHALLENGE OF REPLACING TEFARRA
DEGUEFFFE, A BRILLIANT MAN OF OUTSTANDING DOMESTIC AND IN-
TERNATIONAL REPUTATION. IT APPEARS PROBLEMATIC THAT LEGESSE WILL
COMMAND THE RESPECT FROM THE WORLD BANKING COMMUNITY THAT TEFARRA
HAD EARNED. IT IS INTERESTING, AND PROBABLY BENEFICIAL FOR THE
US, THAT TADESSA GEBRE KIDAN, VICE-GOVERNOR OF THE NATIONAL
BANK, WHO IS A 29-YEAR-OLD RADICAL AND RIVAL OF TEFARRA DEGUEFFE WAS
NOT PROMOTED TO THE TOP JOB. TAYE IS AN UNKNOWN BUT HE ALSO DOES
NOT APPEAR TO BE THE STRONG ADMINISTRATOR NEEDED TO REVITALIZE THE
PLANNING COMMISSION. WE WILL REPORT FURTHER ON THESE TWO MEN AS
THEY ESTABLISH THEMSELVES IN THEIR IMPORTANT POSITIONS AND WE
HAVE THE OPPORTUNITY TO DEAL WITH THEM.
HUMMEL

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